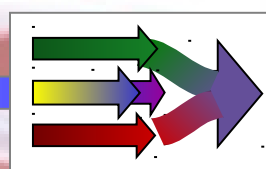




Army G-4



Single Stock Fund (SSF) Program

LAND COMBAT EXPO 2002

SEPTEMBER 24 - 25 - 26

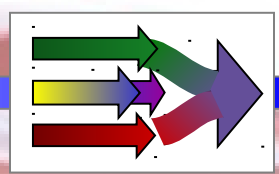


HEIDELBERG, GERMANY

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Introduction



- **Purpose:** Provide an Executive Program Orientation
- **Topics:**
 - Background & Vision
 - What's Been Implemented
 - Operational Test Update
 - What's Ahead
 - Lessons Learned

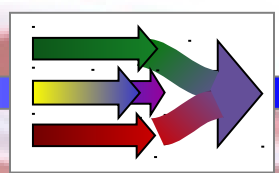


***2002 DoD Supply
Chain Operational
Excellence Award
Winner!***

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SSF Program Essentials



What SSF Is

Creating unified, standardized Secondary Item logistics and financial management processes - extending from the National level to the division/non-division level

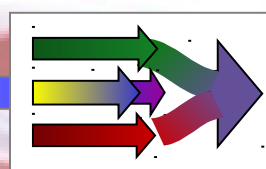
- **Linking Army in both legacy and modernized environments:**
 - **Automation Systems**
 - **Functional Processes**
- **Setting the stage for other key logistics enablers via requirements determination and asset visibility**

What SSF is not

- **An Acquisition Program**
- **Endstate Automation Modernization**
- **National Maintenance Management**
- **Re-Capitalization of end items**
- **A substitute for Army resource allocation processes**



SSF Strategic Focus



**Business Process Reengineering that is delivering
seamless Logistics & Financial processes...
A CS/CSS Transformation Enabler**

***Tearing Down Barriers:
Transforming Army
Logistics and Financial
Processes***

End State Vision

**Army
Working
Capital
Fund
(AWCF)**

O&M



Benefits

Enhanced Warfighter support

- Global access to critical stocks
- Robust Reachback Supply Operations

AWCF-SMA funds ASLs

Improved Decision-making

- Visibility of Assets - Requirements - Finances
- Smarter buy, redistribute, and repair decisions

Integrated - Seamless Process

- Logistics & financial visibility
- Active & Reserve Component ASLs

- Requirements determination

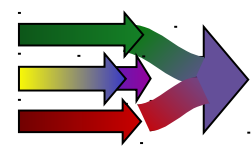
Streamlined

- Eliminated multiple financial transactions
- Eliminated duplicate automated systems

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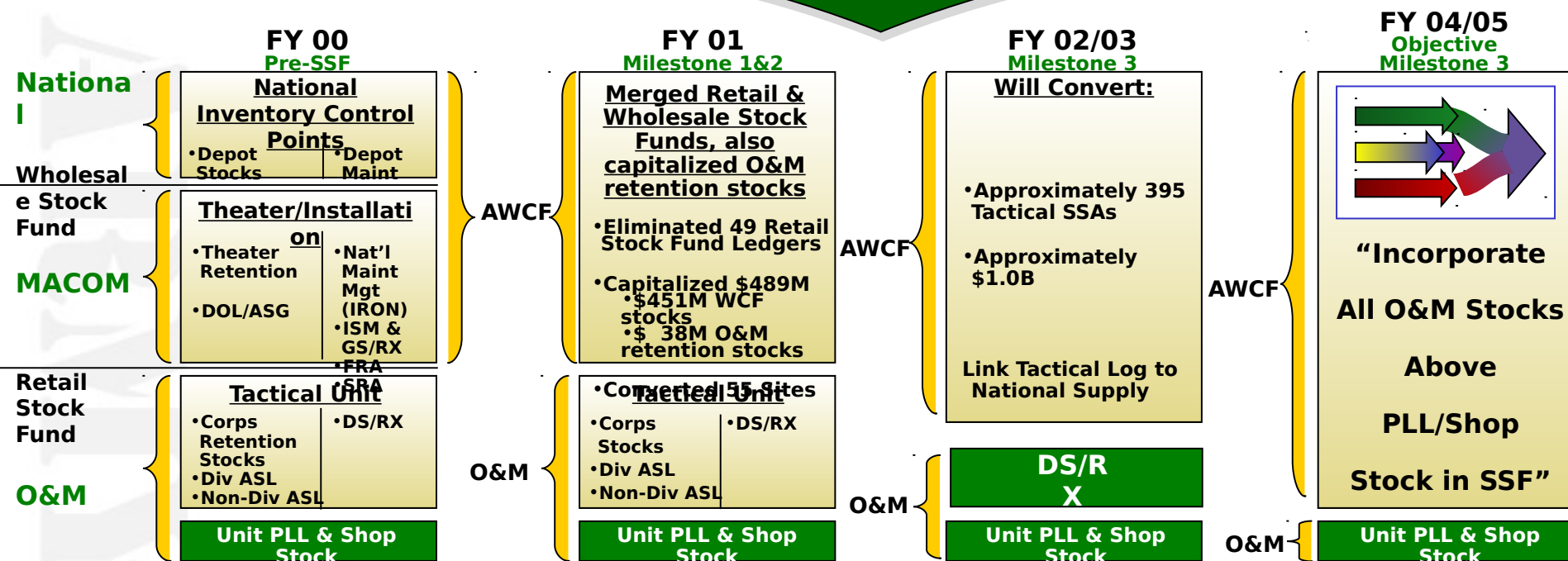
Program Timeline



1994-95	1997 Nov	1998-99	2000	2001	2002
Proof of Principle Ft. Hood, Texas	Campaign Plan Approved by VCSA (Strategic Objectives)	• PM Appointed • Process Reengineering • Systems Changes	IOC SSF Down through Installation	FOC Down through Installation	IOC SSF Down through Tactical ASL

"Fragmented logistics and financial systems are causing inefficient inventory management, unacceptable lack of financial predictability and hinder our ability to logistically support future concepts of operations."

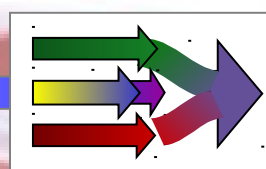
Future SSF Decision
Briefing to VCSA, Nov 97



- Primarily Legacy Automation Environment
- Pricing Structure - Buy at Full AMDF Price

- Modernized Automation
- Exchange Pricing

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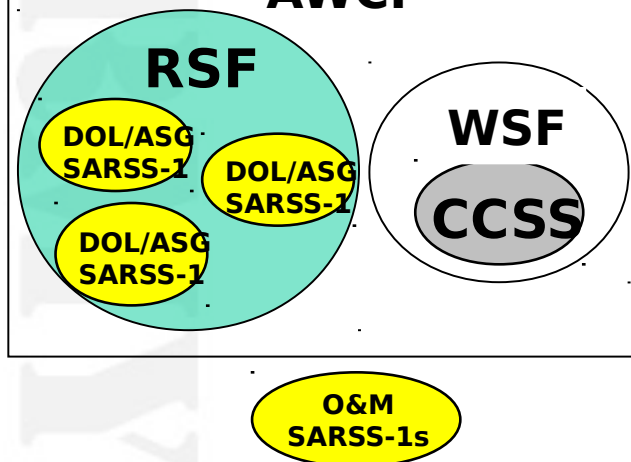


SSF Asset Visibility

Pre-SSF

- Limited National visibility of stocks
- Operations & Maintenance requirements, demands & assets not fully populated at National level
- Retail Stock Fund (RSF) operated independently of the Wholesale Stock Fund (WSF)
- 49 RSF General Ledgers (G/Ls) maintained locally

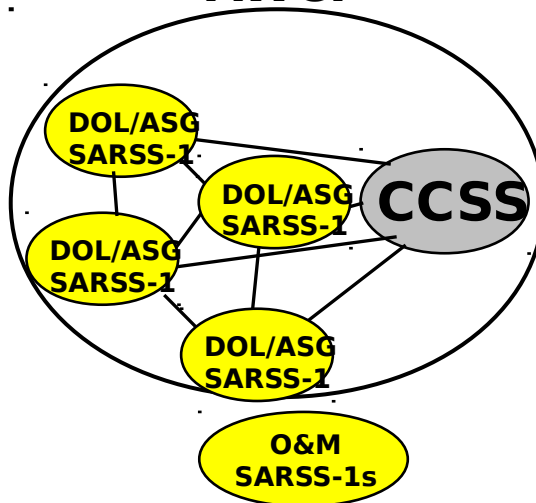
AWCF



Milestone 1&2 (MS 1&2) Milestone 3 (MS 3)

- Increased National visibility of stocks
- Integrated processes through Installation/ASG level
- Single National AWCF G/L
- Non-SARSS/AMCISS inventories excluded

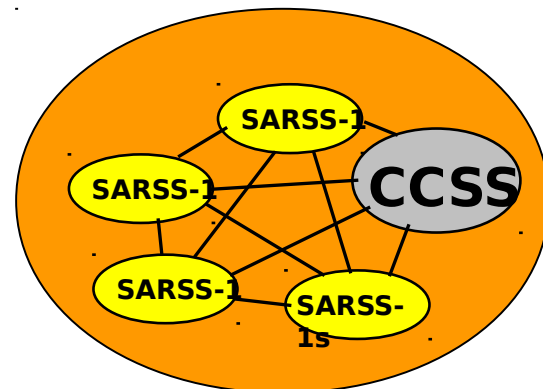
AWCF



Global Visibility of Stocks

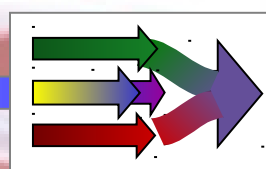
- Integrated processes through Tactical SSA level
- Single National AWCF G/L

AWCF





Leveraging Asset



Vi

After SARSS completes its
division/corps referral process

CONUS

OCONUS

Army Managed Items	#1	Designated on- installation AWCF sites	Designated Theater AWCF sites
	#2	Assigned DLA Strategic Distribution Platforms - DDSP (Susquehanna) or DDJC (San Joaquin) or Red River Defense Distribution Depot	All DLA Strategic Distribution Platforms (DDSP & DDJC) and DDD Red River
	#3	(DDD) Regional DDDs and all other AWCF sites	Same
	#4	Backorder	Backorder

Non-Army
Managed
Items

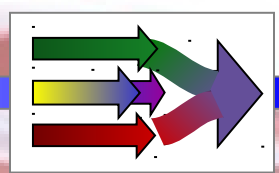
#1	On installation AWCF sites	Within region AWCF sites
#2	Off installation AWCF sites	CONUS AWCF sites
#3	Pass to Source of Supply	Pass to Source of Supply

NAMI
requisitions
below \$100 go
directly to
source of
supply

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Current Metrics



SSF Implementation increased access to AWCFF stocks & improved visibility of Army requirements, consumption, and returns

ILAP Customer Wait Time

May - Sep 01

CWT improved by 3.4 days compared to FY 00 baseline (ILAP:

Oct 01- Aug 02

- CWT matching FY 01 performance, even when factoring OPTEMPO increase
- Current CWT mean 16.0 days

Nationally-directed Redistribution May 00 - Aug 02

AWCF redistribution: \$445M *

- 97% of MROs supported Tactical customers
- \$219M filled IPG 01 requisitions
- 65% in FY 02 involved excess inventory

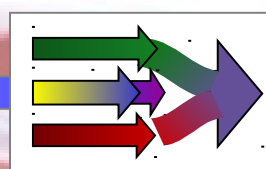
(*Excludes \$170M "on installation/within region" referrals)

Referrals Benefit Deployed Forces:

- \$16.1M sent to ARCENT/KUWAIT/CENTCOM/SWA
- \$25.4M sent to the Balkans Task Forces

Oct 01- Aug 02 Source: LDB: 12 Sep 02

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Nationally-Directed AWCF Inventory Redistribution

Geo-search matrix—impacts by
MACOM Oct 01 - Aug 02

Business Rules
• CONUS Supplies
OCONUS
• OCONUS does
not routinely
supply CONUS

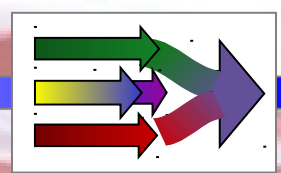
Reflected in
MACOM
redistribution
numbers

	Beneficiary \$Value	Contributor \$Value
USAREUR	111.6M <div>Top donors 1. FORSCOM 2. 8th Army 3. TRADOC</div>	88.7M <div>Top recipients 1. ARCENT 2. USASOC 3. FORSCOM</div>
8th Army	30.9M	24.5M
USARPAC	2.4M	0.4M
FORSCOM	77.8M	81.7M
TRADOC	12.2M	44.0M

LOGSA: 12Sep 02 Data
CL II, IIIp, IV, and IX

Excludes \$169M
on -
installation(CONU
S)/within region
(OCONUS)
redistribution
and summarizes
only 5 MACOMs

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What's Next

- SSF MS 3-

- **Increased benefits projections**
 - Factory-to-foxhole visibility—enables supply chain management
- **Capitalization of tactical supply support activity O&M inventories into the AWCf:**
 - Increased depth of inventory to support deployed forces
 - Increased depth of inventory for redistribution
 - Provides near real-time data on Army Secondary consumption, returns... total picture becoming clear
 - Eliminates separate financial inventory ownership

**MS3 doubles
(\$759M)**

MS1&2 benefits

**Immediate visibility
of \$1.1B of tactical
ASLs**

**National level can
penetrate ASLs for
IPD-01
movements**

**Above RL available
to meet all Army
demands
via retrograde to
DoD**

**Visibility enables
smarter buy,
store,
redistribute, and
repair decisions**

**Removing the
financial barriers**

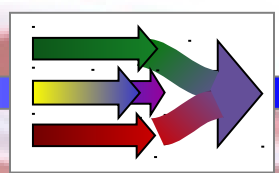
Sets stage for further optimization: Stock positioning, Integrated Requirements Computation, Repair decisions, etc.

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Asset Search Process

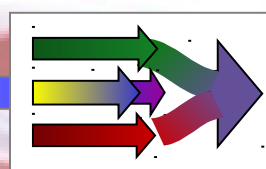
Key Points



- **Commander continues to set internal “on-installation” penetration and search patterns for Tactical SSAs based on local requirements**
- **Only change for Milestone 3; the National Level can penetrate Tactical SSAs for IPD 01 requirements**
- **Non-tactical SSAs remain under current SSF penetration rules and search patterns**
- **Tactical SSAs continue to be beneficiaries of the SSF redistribution logic**



SSF Milestone 3 Events



A Total Army team effort -- extensive customer-developer coordination, testing, measuring, fixing, and validating - worked through a rigorous Systems Integration Test and enabled commencement of the Operational Test on 1 Jul 02!

- SIT = Systems Integration Test
- VIOC = Verification of Initial Operating Capability

2002

FY Change
Downtime

Holiday Period
Downtime

2003

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Major
Event

Systems
Integratio
n Testing

Extended
Software
Validation

VIOC Data
Collection
Phase

Initial Implementation

Data
Analysis
Phase

Extended VIOC Data Monitoring

Army-wide Implementation
IAW MACOM-approved Fielding Schedules

SSF Dir's
Review
Process

SIT
Readiness
Decision
23 Feb 02 ✓

VIOC
Readiness
Review
10 May 02 ✓

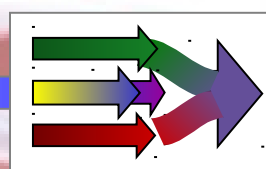
VIOC Implementation
Mid-point IPR
22 Aug 02

Army
Implementation
Readiness
Assessment
7-8 Oct 02

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VIOC Key Points



Objective:

Successfully convert tactical SSA stocks to the AWCf & enable Active and Reserve Component units to operate in the SSF MS 3 environment without degrading materiel readiness or financial stability

(Army M4 14 Jun 02)

Test & Evaluation Master Plan 14 Mar 02

Critical Operational Issues

- ✓ Extend point of sale
- ✓ National ASL visibility
- ✓ Materiel management
- ✓ Visibility of maintenance opns
- ✓ AWCf credit to O&M units
- ✓ SARSS-CCSS reconciliation
- ✓ DS/RX operations
- ✓ Materiel readiness
- ✓ Partial issue functionality
- ✓ RON/DON functionality

III Corps

25 SARSS-1s



1st CAV



4th ID



13th COSCOM

ARNG

3 SARSS-1s



49th Div



TX ARNG TX USP&FO

USAR

2 SARSS-1s



164th Maint. Co.



HQ USARC

AMC

CCSS



TACOM



CECOM



AMCOM



SBCCOM

AAA & ATEC Independent Evaluators

Forward-deployed VIOC Support Teams

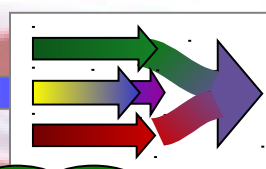
Detailed Conversion Sequence of Events

Extensive training at units & AMC IMMCs

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VIOC Performance



Positive Indicators

Now at
C+79

Concerns

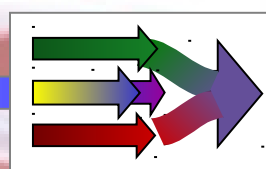
- ✓ **Functioning Logistics processes** (turn-ins, requisitions, referrals)
- ✓ **MS 3 DS/RX strategy works**
- ✓ **Partial Issues restored at MS 1&2 sites**
- ✓ **RON/ DON restored at MS 1&2 sites**
- ✓ **AMC replenishing ASLs**
- ✓ **Tactical SSAs releasing IPD-01 stocks for Priority requirements**

Enabling accurate Financial Recon

- **Most significant VIOC concern**
- **Some transactions that should have been included were missing**
- **Other transactions were included which should not have been**
- **Composite Team on the ground assisting Fort Hood/III Corps**
- **Validation Recon conducted 14 Sep 02 tested accuracy of multiple automation fixes - we are on the right track**
- **Final Recon planned for 21 Sep**



Roadmap to Oct 02 MS 3 Army Implementation Decision



Review of:

- VIOC operations/COIs
- Enablers to move forward

Date

Event

Who's involved

7-8 Oct 02

Implementation Readiness
(COL/GS-15 Level)

ACOMs, ARSTAF &
Secretariat, AAA

10 Oct 02
&

SSF General
★★★

ACOMs, ARSTAF
Secretariat, AAA

16 Oct 02

SSF Executive Ste
★★★

ASAC (FM&C)
DA G-4
DCG, AMC

21 Oct 02(T) SSF Milestone Decision
★★★★

CSA/VCSA (G-4)
CG, AMC
CG, FORSCOM
CG, TRADOC
CG, USAREUR

For info, see DA Message
DTG 06000Z Sep 02,
Subject: Upcoming SSF MS
3 Events

**Changes
Pending**

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Planned Conversion Schedule

VIOC

2002

2003

**MS 3 Decision
21 Oct 02 (T)**

May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May

Ft. Hood CTASC
(24 SARSS-1s)

ARNG Iowa CTASC
(5 SARSS-1s)

Ft. Gillem CTASC
(2 SARSS-1s)

Ft. Bragg CTASC
(73 SARSS-1s)

Fort Monroe CTASC
(8 SARSS-1s)

Ft. Hood CTASC
(17 SARSS-1s)

USARPAC CTASC
(18 SARSS-1s)

ARNG Hawaii CTASC
(4 SARSS-1s)

ARNG Iowa CTASC
(25 SARSS-1s)

USAREUR CTASC
(45 SARSS-1s)

ARNG Raleigh CTASC
(26 SARSS-1s)

EUSA CTASC
(20 SARSS-1s)

321st MMC CTASC
(33 SARSS-1s)

304th MMC CTASC
(20 SARSS-1s)

ARNG-Little Rock CTASC
(29 SARSS-1s)

55th MMC CTASC
(20 SARSS-1s)

Ft. Gillem CTASC
(2 SARSS-1)

- XVIII ABC & TRADOC at C-47
- MS 3 Conversion Workshops completed
- MS 3 Training ongoing
- Executing Conversion Sequence of Events

Boxes Show:
Each converting CTASC, with # of supported SARSS-1s, by location

Conversion Closed Cycle (Sat)

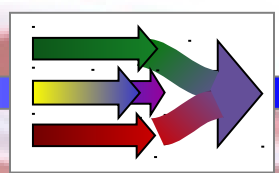
Catalog

VIOC (Jul 02)	29 Jun 02	Jun 02
Nov 02	2 Nov 02	Nov 02
Dec 02	30 Nov 02	Nov 02
Feb 03	1 Feb 03	Feb 03
Mar 03	1 Mar 03	Mar 03
Apr 03	29 Mar 03	Mar 03
May 03	3 May 03	May 03
Jun 03	31 May 03	May 03

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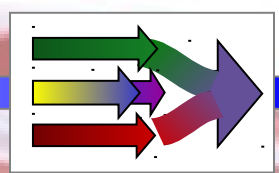
Critical Success Factors



- **Senior Leadership Sponsorship & Involvement**
- **Initial Focus -- Process versus Information Technology**
- **Continuous Involvement of Process Owners**
 - Business Rules
 - Testing
 - Readiness Assessments
- **Regular Project Assessments**
- **Implementation/Deployment Strategy**
 - Site Support Teams
 - Detailed Planning
 - Rapid Development Process - 28 months from project start to Initial Operating Capability
 - Site "dress rehearsals"



SSF Integration Reality



**Streamlines
Financial
Processing:
stabilized, tim
credit**

**AMC & Tactical Log
Activities
irreversibly Linked**

**Hammers Out
Tactical to
National Issues
to Enable LMP &
GSSS-A ERPs**

**SSF is
Fundamentally
Changing Army
Logistics**

**AMC Ownership,
Visibility,
Management
500+ ASL
Storage Sites**

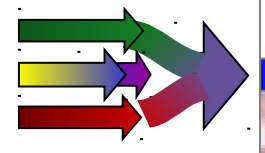
**Enables National
Maintenance
Program (NMP)
Operations**

**Standardizes Log &
Finance processes
across all Army
Components**

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Summary



- **Implementation of SSF Milestones 1&2 benefited USAREUR & its ability to support deployed units**
- **Initial Milestone 3 VIOC metrics are largely positive - challenges with logistics to financial reconciliation have been worked & seem to be improving**
- **Contingent on successful VIOC outcome and a 4-star decision to move forward, will transition to Milestone 3 in April**
- **The transition will require teamwork, mutual support and effective communication - key Army skill set and we are committed to the challenges with you!**

